

GRAHAM ADMITTED GUILTY, SAYS FLOOD

Mellon Indorses Sales Tax In His Report

CONGRESS IS URGED TO FRAME LEVY BILL

Rate Would Not Bear Unduly On Any Class, Treasury Head Declares.

By W. H. ATKINS.
International News Service.

The government must make a further slash in existing income and surtaxes, and adopt some form of sales tax that will better equalize the tax burden in order to lighten the load of the average taxpayer and help business go ahead, Secretary of the Treasury Mellon today told Congress in his annual report.

Can't Escape Heavy Cost. Secretary Mellon said that while General Dawes' economy measures and other steps of the Administration had effected a cut of \$1,500,000,000 in Treasury expenditures during the current fiscal year, that the American people cannot escape facing heavy Government expenditures for many years to come.

There is urgent need that the tax laws be greatly simplified, and some of existing complexities removed, Mr. Mellon said, in his annual report. The income tax must be retained for years to come as a part of the American system, but the objections now raised to the existing tax must be met by Congress by legislative action scaling down the rates to a reasonable level, especially in the surtaxes, which now discourage business.

Taxation of people in proportion to their "ability to pay" is really the keynote of Mr. Mellon's proposals to Congress. Mr. Mellon, taking full account of the \$300,000,000 reduction in the burden in the fiscal year 1922, from the changes made in the revenue act of this year, asserts Congress must wield the axe again, and said before the job is completed other sources than those tapped as revenue producers must be found.

The sales tax is favored by Secretary Mellon. What form it shall take is left by him for Congress to determine. He refrained from specific recommendations on that point.

Practically Favors Sales Tax. Secretary Mellon, discussing the advantage of the sales tax, as a means of making up any losses which would come from cutting the surtaxes, said:

"Such taxes as those now imposed on automobiles and tires have been found simple and inexpensive of administration, and the collection is always substantially current. They have been steadily productive of revenue and have been without injurious effects upon the country.

"In view of past experience, a general tax either of this or like character upon a broad class of articles or transactions could be readily administered. The rate could be made sufficiently low as not to bear unduly upon any class and at the same time produce a large amount of additional revenue.

Would Keep Income Tax. It is the view of the Secretary that by retaining the income tax, with reasonable surtax rates, which in peace times ultimately should not rise above 10 per cent, the American people would be contributing to the upkeep of the Government according to their earnings. But he goes further and said:

"By placing a certain amount of tax on specific articles, or classes of articles or transactions, at so low a rate that they could be readily borne

Piez, Former Shipping Board Head, Sues For Divorce



CHARLES PIEZ.
CHICAGO, Dec. 7.—Charles Piez, formerly director general of the United States Emergency Fleet Corporation, has begun suit for divorce from Mrs. Laura Olivia Flora Piez. He charges desertion. Mrs. Piez, it is said, is now living in New York.

REBELS SEIZE FULL CONTROL IN GUATEMALA

President Prisoner in Home, Cabinet Thrown Into Jail, U. S. Envoy Wires.

By International News Service.
The Guatemalan government has been overthrown, according to advices to the State Department today from Benton McMillen, American minister.

About a dozen persons were killed in the revolution, which began on December 5 and ended on December 6, according to the State Department advices. Many civilians were placed under arrest.

President Herrera was made a prisoner in his own home and the members of his cabinet were thrown into jail. A provisional government has been established.

It is presumed here that the revolution was engineered by followers of former President Cabrera, who has been under arrest during the regime of Herrera, although dispatches received here did not state whether Cabrera had been released.

Minister McMillen's dispatches did not give full details of the revolt, but it is presumed there was comparatively little fighting.

FARMERS GAIN MILLIONS FROM U. S. IRRIGATION

Federal irrigation projects in the semi-arid States of the West netted farmers \$114,000,000 in crops during the last fiscal year, according to the annual report of Director Arthur P. Davis, of the United States Reclamation Service.

The report, issued today, showed that 2,345,000 acres had been irrigated during the year of which 1,622,000 acres depended solely on the Federal water supply. The crops from this acreage netted farmers \$66,000,000, while from the areas which the Government aided in irrigating the crops were valued at \$47,500,000.

F. B. METZEROTT, MARYLAND OFFICIAL, DIES IN COLORADO

Frank B. Metzertott, member of the Maryland State Board of Prisons, and active in Republican politics in the State, died today at Boulder, Col., according to word received in this city.

Mr. Metzertott was a brother of former State Senator Oliver P. Metzertott, who was defeated a month ago for State Comptroller of Maryland. Frank B. Metzertott lived with his brother at Woodside, Prince George's county. He was unmarried, and was a member of the Masonic fraternity.

KING GRANTS IRISH AMNESTY

Guarantee Neutrality of Chinese Borders in Event of Future War.

By International News Service.
The eight powers represented in the Washington conference today pledged themselves to respect China's neutrality in future wars. A resolution to this effect was unanimously adopted at today's secret meeting of the Far East committee.

The neutrality issue was one upon which China insisted in the "ten principles" presented to the conference several weeks ago.

By GEORGE R. HOLMES.
International News Service.
Japan has made her acceptance of the 5-5 Hughes naval program contingent upon an "understanding" being reached concerning American fortifications in the Pacific, according to information prevailing today in usually inspired British sources.

By J. D. BUSH.
International News Service.
Today's parity between Japan and China on the Shantung controversy may force a decision whether it is to end amicably or whether the conversations will be broken off, it was said today in Chinese quarters.

Conference Resumed Today. The conversations will be renewed late this afternoon in the Pan-American building. China's principal delegates will participate against the wishes of a majority of the Chinese advisers here, and in the face of strong disapproval from the South Chinese faction, and also the "Chinese people's delegates," Monlin Chiang and Z. T. Yui.

The conversations that have been held have resulted in nothing. Japan has "stood pat" on her offer to give up Shantung provided Japanese are allowed 50 per cent control of the railways. That is the proposal she had previously made to Peking direct, before the conference in Washington assembled.

The Chinese people's delegates today issued a statement which, after reviewing the history of the Shantung controversy, charged Japan "has a complete plan to dominate communications and natural resources of the country."

Mineral Grabbing Charged. "Japanese experts," the statement said, "have mapped the whole face of China and discovered precisely where the valuable mineral deposits lie, have in combination with Japanese capitalists, acquired or pretend they have acquired, most of the minerals of China."

"In the matter of preferential freight rates on railways and steamers controlled by them, and in all manner of subtle irritations, the Japanese are impeding foreign commerce in Chinese territory, precisely as they did in Korea."

"In the many railway concessions it is plain to see Japan has a complete plan to dominate the communications of the country. Today it is the Shantung railway, which is actually the center of the discussion now proceeding between China and Japan. Japan is trying desperately to retain control of the Shantung railway, because, as in South Manchuria, so in Shantung, the instrumentality for dominating the province economically—and thereby politically—is the railway."

"The fate of the Shantung railway is therefore the fate of Shantung province. No settlement except a conditional return to China is acceptable or will be tolerated by the Chinese people."

Canton's Government Submits Program For Settlements in China

By H. K. Reynolds.
International News Service.
Disaffection within the ranks of the Chinese delegation to the Washington conference today led Dr. Sun Yat-sen, president of the Canton (Continued on Page 4, Column 2.)

YEGGMEN WRECK BANK BUT GET PALTRY \$55

PARSONS, Kan., Dec. 7.—An over-dose of safe-cracking "soup" foiled the plans of yeggmen who entered the State bank of Dennis, near here, early today.

The charge of explosive was so great that it wrecked the entire interior of the bank and the detonation aroused the town.

Shots were exchanged with the robbers, who escaped in a motor car after securing only \$55 from a cash drawer. They were forced to flee before they could enter the wrecked vault. All telephone wires leading from the town had been cut by the robbers before they started work.

ATTENTION! GOOD FELLOWS

If You Believe Christmas Was Intended as a Season of Joy For the Poor as Well as the Rich, Then You Are "One of Us." Why Not Sign Up Today?

Boy Scouts, high school students, government employees, lodgemen and church workers today signified their intentions of organizing into Good Fellow groups and enlisting in the Army of Santa Claus.

This is a capital suggestion and if the plan is carried out it should materially increase the ranks of Gloom Dispellers on Christmas morning.

In previous years one or more troops of Boy Scouts, several high school classes, government workers in a number of bureaus and individual members of lodges and churches participated actively in The Washington Times Good Fellow movement. This year it is earnestly hoped and desired—in view of the much more serious situation which needy persons face—that every Boy Scout Troop, every high school class, the workers in every government bureau, and lodgemen and church members in large numbers organize and raise funds with which to provide a Merry Christmas for those who are threatened with sadness, sorrow and disappointment on this all-joyful occasion.

Easy To Organize. It is a very simple matter to organize a Good Fellow group. Several persons get together, agree that no child, no sick man or woman and no aged and infirm person shall be without something on Christmas to differentiate that day from all the others on the calendar. Having thus agreed, it is then just a matter of appointing a treasurer to make a collection and select the family to be helped.

Today, as on previous days the number of needy families reported to The Good Fellow Department exceeded the number of Good Fellows joining up. This is not at all as it should be and the condition must not prevail much longer. If there is one cheerless needy family on Christmas morning it will be a reflection on the whole movement, so let's all get together and sign up to take at least one family under wing, and produce a surplus of Good Fellows.

Creed Is Appealing. The Good Fellow creed is so simple that it is bound to make a universal appeal. It is:

"Neither you nor I get anything out of this except the feeling that we've saved some soul from sorrow on Christmas morning."

In other words, the Good Fellow is a joy dispenser who guarantees to distribute cheer and happiness irrespective of class, creed, sect or the cause of the distress he finds. It is no concern of the Good Fellow's what condition is responsible for the fact that children or the ill or aged face a cheerless Christmas. All that interests him is that the condition exists, and that he will alleviate it by playing Santa Claus to the family.

If you believe Christmas was intended as a season of joy and happiness for the poor as well as the rich, that makes you a Good Fellow. It then remains for you to determine just how strongly you will manifest your belief—whether you will take under your wing one or several families and guarantee them a merry Christmas.

It does not take a lot of money to be a Good Fellow, but it does require (Continued on Page 4, Column 4.)

GOOD FELLOWS

Here's a form for you to fill out if you will aid in stating your plans for helping the poor, the aged, and the ill.

If you will be a Good Fellow on Christmas to some family in Washington, please fill out the attached blank and send it to "The Times Good Fellow Department."

I will be a good fellow to persons or families (as many as you wish). Please give me names of persons in

(State what section of city you prefer to have assigned to you).

My name Address Telephone

THOUSANDS IN PRISON CAMPS TO BE FREED

Content Spreads Over Ireland As Progress Toward Ideal Gains Impetus.

LONDON, Dec. 7.—King George today issued a decree of amnesty, granting liberty to all Irish prisoners.

It is estimated that there are between 4,000 and 5,000 Sinn Fein prisoners in British detention camps.

The first intimation that they would be freed as a result of the creation of the new Irish free state was contained in an exclusive Dublin dispatch to the International News Service Tuesday.

British to Evacuate. Events began to move rapidly today for setting up the new political machinery of the Irish peace agreement. Final plans were made for the meeting of the British and Sinn Fein parliaments to ratify the pact, and the government began to arrange for the withdrawal of all British administrative officials from Ireland.

The post of chief secretary for Ireland, now held by Sir Hamar Greenwood, will be abrogated also.

Lord Fitzalan New Head. Irish questions will be handled through the colonial office, this post being held at the present time by Winston Churchill.

Lord Fitzalan, present British viceroy, may be the first British governor general in the Irish Free State.

A special courier is expected to arrive from Belfast tonight bringing the Ulster cabinet's reply to the proposals contained in the Irish peace settlement.

While the Ulster cabinet at Belfast considered the terms of the Irish settlement today, final preparations were made in London and Dublin for convoking the British parliament and Dail Eireann (Sinn Fein parliament) for formal ratification of the pact.

King George Presides. King George presided over a privy council which approved the proclamation for summoning the British parliament into a special session next Wednesday for approval of the peace agreement.

The privy council was held in Buckingham palace. All the members of the Cabinet were present.

Afterwards Michael Collins, one of the Sinn Fein delegates, called on Premier Lloyd George at 10 Downing street, "on a matter of details."

The Sinn Fein delegates will return to Dublin tonight.

Antagonism is expected from the Ulster Unionists. The keynote of the Ulsterites was sounded by their former leader, Sir Edward Carson. He declared:

"I never thought I'd live to see the day of such abject humiliation for Great Britain."

The English press, without exception, hailed the settlement as one of the greatest achievements in the history of the British empire. The agreement met with the warmest approval and Premier Lloyd George is accorded a position equal to that of Pitt.

Whether Ulster enters the agreement or remains out under her present status, it is generally believed by British officials that the Irish free state will step into her new "world position" on December 6, 1922, the date under which the pact is effective under the terms of settlement.

It is taken as a foregone conclusion that Eamon de Valera, who has been known to the Sinn Fein as President of the Irish republic, will head the new Irish government. Article 1 of the